

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF GEORGE) APPEAL NO. 07-A-2400
A. DILLARD from the decision of the Board of) FINAL DECISION
Equalization of Ada County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing November 19, 2007, in Boise, before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellant George A. Dillard appeared. Chief Deputy Assessor Tim Tallman and Appraiser Tina Winchester appeared for Respondent Ada County. This appeal is taken from a decision of the Ada County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. S0520141950.

The issue on appeal is the market value of a residential property.

The decision of the Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$240,000, and the improvements' valuation is \$75,600, totaling \$315,600. Appellant requests the land value be reduced to \$75,000, and the improvements' value be reduced to \$50,000, totaling \$125,000.

Subject property is one (1) acre with a 1,644 square foot single-family residence built in 1930. Subject is located adjacent to Banbury Golf Course, in Eagle, Idaho.

Appellant disputed the large increase in subject's assessed value and stated the County based the increase on "speculative value not actual value". Assessment notices from 2001 to the present were submitted. Assessed values increased from \$97,600 in 2001 to \$315,600 in 2007.

The taxpayer described subject's condition as very poor with original siding, windows,

electrical, and cardboard insulation. No improvements have been made to subject in 60 years. It was claimed it would cost more than \$40,000 in order to repair these items, which was not feasible for Appellant. Subject has a well, septic tank, and dirt roads. The surrounding subdivisions have city services while subject does not.

The taxpayer disputed the Assessor's comparables, stating the sales were not in the immediate area and were not "like" property. It was asserted that subject's improvements have zero value as they were 70 years old and would probably be demolished if the property sold.

Appellant argued two-thirds of subject should be assessed as agricultural property because it is pasture and used to raise chickens, pheasants, and beef. It was mentioned that subject is bordered by a parcel with outdoor storage on one side and a golf course on the other side which is a detriment to subject's and should induce a reduction in use and value as a residence.

Respondent explained, to qualify for an agriculture exemption on property less than five acres, an application must be filed each year. No application was filed by Appellant.

Respondent presented three comparable sales that closely resemble subject's age and location. The County's "Sales Comparison Grid" illustrated adjustments made to the comparable sales for differences from subject to arrive at an indicated value for subject. The adjusted sale price per square foot ranged from \$181 to \$290. Subject's assessed value was \$192 per square foot. The County contended the comparable properties were the same age as subject with similar obsolescence. A map showing the location of the comparable properties was submitted.

Bare land sales were presented which demonstrated small acreage land sales in the area ranged in price from \$188,107 to \$545,000, with the acreage ranging from .85 to 1.22 acres. The Respondent stated that the evidence indicates one acre lots were selling for \$365,000. Subject's one acre was assessed at \$240,000.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The relevant legal standard in Idaho regarding the value of property for taxation purposes is market value.

63-201. DEFINITIONS. As used for property tax purposes in title 63, chapters 1 through 23, Idaho Code, the terms defined in this section shall have the following meanings, unless the context clearly indicates another meaning . . .

(10) "Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

The case centers on the fair market value of subject property. Residential property is typically valued by referring to sales of recent, proximate, and similar properties.

Appellant seeks to use the condition of subject as a basis for determining the assessed value of subject and asserts that the improvements have zero value. Appellant also claims subject should be designated as agricultural property. The continued use and utility of the subject residence argues against the zero-value claim.

Appellant did not provide sales of recent, proximate, and similar land to support the valuation claim of subject property. Although appellant asserted that assessed values should reflect the many repairs needed to subject, no professional estimates were submitted.

The County submitted three comparable sales similar to the subject in age and location to support its estimate of market value. Land sales were presented to support land values. Respondent's exhibits supported subject's assessed value.

The Assessor's 2007 valuation of property for the purposes of taxation is presumed correct. The Senator, Inc. v. Ada County Board of Equalization, 138 Idaho 566, 569, 67 P.3d 45, 48 (2003). The court will grant relief where the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous resulting in discrimination against the taxpayer. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979).

Unfortunately, the changing use of surrounding property affects subject's value. The factors are beyond Appellants' control.

It has long been recognized that sales are the best indicator of residential property's market value and Respondent provided several recent, similar, and proximate sales to support the assessment. No error in the methodology used to determine value was demonstrated, nor does the record indicate that subject's assessment was arbitrary or capricious. Considering the evidence this Board finds the County Assessor considered all of the known value factors which affected the subject property.

This Board finds Appellant did not prove by a preponderance of evidence that the relief claimed was warranted. Therefore, this Board finds for Ada County and will affirm the decision

of the Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED JANUARY 31, 2008